

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

SR.15/14

18 November 1959

Limited Distribution

CONTRACTING PARTIES
Fifteenth Session

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SUMMARY RECORD OF THE FOURTEENTH MEETING

Held at the Sankei Kaikan, Tokyo, on
Thursday, 12 November 1959 at 2.30 p.m.

Chairman: Mr. F. GARCIA OLDINI (Chile)

- Subjects discussed:
1. Status of Tunisia - report of Working Party
 2. Greek tariff reform - draft decision
 3. Nicaragua - El Salvador free trade area
 4. Nationality of imported goods
 5. Status of Guinea
 6. Declaration on provisional accession of Switzerland
 7. Notification by Cuba under Article XVIII:C
 8. Facilities for temporary admission of professional equipment and packing materials
 9. Co-operation with the OEEC

1. Status of Tunisia - Report of Working Party (L/1100)

The CHAIRMAN invited the Chairman of the Working Party appointed by the CONTRACTING PARTIES at their meeting on 4 November (SR.15/9) to present the Working Party's Report.

Mr. VARGAS GOMEZ (Cuba), Chairman of the Working Party, recalled that, at a meeting of the CONTRACTING PARTIES on 4 November, the representative of Tunisia had advised that his Government wished to accede to the General Agreement under the provisions of Article XXXIII, and would be prepared to enter into tariff negotiations as a preliminary to accession during the 1960/61 tariff conference, and that meanwhile it would like to participate in the work of the CONTRACTING PARTIES through a form of provisional accession. This request had received general support. The Working Party had examined the proposals and had recommended that the requests made by Tunisia should be met. In the annex to the Working Party's report would be found a draft decision inviting Tunisia to participate in sessions of the CONTRACTING PARTIES and in meetings of subsidiary bodies. Further, under this decision, the CONTRACTING PARTIES would make arrangements for tariff negotiations with Tunisia in 1960. Also attached to the report was a draft declaration to be open for acceptance, by which commercial relations between Tunisia and those contracting parties which accepted it would be based upon the provisions of the General Agreement, pending Tunisia's full accession.

The Working Party had discussed with the representative of Tunisia several aspects of Tunisia's trade system and commercial policy, and also its commercial relations with France. The Working Party considered that these, and other relevant questions, could be more fully examined, if so desired, when the terms of accession were being considered at the time of the tariff conference.

Mr. BEALE (United States) said that, as he had stated at an earlier meeting when this matter was discussed, his delegation had welcomed Tunisia's application. They were equally pleased to support the report of the Working Party which recommended procedures for Tunisia's accession to the General Agreement.

Mr. PARBONI (Italy) said that he likewise had said at the earlier meeting that the Member States of the European Economic Community viewed favourably Tunisia's request for accession and participation in the 1960/61 tariff conference. The Member States of the Community supported the draft decision and declaration.

Mr. de LACHARRIERE (France) said that the position of the Member States of the European Economic Community had already been explained but, because of the special ties between France and Tunisia, he wished to say that France was particularly happy that Tunisia had made this application; he hoped that the draft decision and declaration would be accepted by the contracting parties.

Mr. Touch KIM (Cambodia) said that the earlier applications submitted by Yugoslavia and Poland had been considered with comprehension by the CONTRACTING PARTIES and Cambodia viewed with real satisfaction the trend towards the universal application of the General Agreement. His delegation hoped that the contracting parties would warmly support Tunisia's application.

The CHAIRMAN then enquired whether the CONTRACTING PARTIES were prepared to approve the draft decision and draft declaration.

The draft decision and declaration were approved by thirty-three votes in favour and none against.

The CHAIRMAN then invited the representative of Tunisia to take his place at the table.

Mr. TNANI (Tunisia) said that he was sure that Tunisia would justify the confidence which the CONTRACTING PARTIES had placed in it. Tunisia was aware of the obligations involved and was ready to accept them.

2. Greek Tariff Reform - Draft Decision (W.15/26)

The CHAIRMAN recalled that, at an earlier meeting during the present session (SR.15/11) the CONTRACTING PARTIES had agreed to grant to the Greek Government a waiver to allow it to put into effect modifications or withdrawals of concessions listed in Schedule XXV without having first obtained the agreement of interested contracting parties under the terms of Article XXVIII. The Chairman submitted a draft decision (W.15/26), which had been prepared by the Executive Secretary, to the CONTRACTING PARTIES for approval.

The draft decision was adopted by thirty-two votes in favour and none against. There was one absention.

Mr. TREU (Austria) said that he had abstained from voting simply because of the fact that the Decision did not enable an estimate of the effect and scope of the tariff reform to be made. As the new customs duties were not known, his delegation was unable to commit themselves in advance.

3. Nicaragua-El Salvador Free Trade Area (L/1062)

Mrs. de RODRIGUEZ (Nicaragua) presented the eighth Annual Report of the Government of Nicaragua, submitted in accordance with the Decision of 25 October 1951. She said that the implementation of the Free Trade Area Agreement between Nicaragua and El Salvador, which was to remain in force as long as both Governments remained satisfied with the results of the operation of the free trade area, had resulted in a free flow of trade between the two Republics. Trade statistics showing treaty and non-treaty product exchanges between the two countries (page 8, L/1062) indicated that the flow of free trade between El Salvador and Nicaragua had increased in 1958 as compared with the previous year. The Free Trade Area Agreement had been amply justified and the requirements of Article XXIV of the General Agreement had been met.

The CONTRACTING PARTIES took note of the report submitted by Nicaragua.

4. Nationality of Imported Goods

The CHAIRMAN called on the representative of the Federal Republic of Germany, as this item had been included on the agenda at the request of the German delegation.

Mr. ELSON (Federal Republic of Germany) said that this question, which his delegation had first put forward at the time of the revision of the General Agreement, was at present being considered in other international discussions. Consideration of it by the CONTRACTING PARTIES, therefore, would appear to be inopportune at the moment. He therefore proposed that the item should be withdrawn; if necessary the matter could be reverted to at a later date.

This was agreed.

5. Status of Guinea (L/1093)

The CHAIRMAN referred to the note by the Executive Secretary (L/1093), which explained the status of Guinea in relation to the General Agreement. He said that the Government of Guinea had advised that it would like to maintain the status quo until the revision of its foreign trade and tariff policy had been completed and its position vis-a-vis GATT had been established. If the CONTRACTING PARTIES agreed to meet this request, they could act under paragraph 2 of the procedure established in the Recommendation of 1 November 1957. He proposed that the CONTRACTING PARTIES should establish a "reasonable period" of time during which the contracting parties should continue to apply de facto the Agreement in their relations with Guinea, provided Guinea also continued to apply de facto the Agreement to the contracting parties.

Mr. BOSSMAN (Ghana) pointed to the fact that Guinea had only recently become independent and expressed his delegation's understanding for the desire of the Government of Guinea to study and possibly revise its trade and customs policies. He supported the request that the status quo be maintained.

The CHAIRMAN suggested that the "reasonable period" be set at two years and that the Executive Secretary prepare a draft decision for adoption by the CONTRACTING PARTIES at a later meeting.

This was agreed.

6. Declaration on Provisional Accession of Switzerland

The CHAIRMAN recalled that, at the fourteenth session, the CONTRACTING PARTIES agreed to extend the time-limit for acceptance of the Declaration on the Provisional Accession of Switzerland until the end of the fifteenth session.

Mr. WEITNAUER (Switzerland) said that, as no action had been requested during the referendum period relating to the new Swiss tariff, the tariff was now definitively accepted and it was intended that it should enter into force from 1 January 1960 together with the concessions negotiated with contracting parties during the tariff negotiations in 1958. Switzerland was ratifying its signature to the Declaration with effect from 2 December 1959 and the Declaration would accordingly enter into force on 1 January 1960. Switzerland naturally would wish that the concessions granted to it during the 1958 negotiations should become effective on the same date. He understood that certain contracting parties which had negotiated with Switzerland, together with other contracting parties who had not yet stated their position on the question of relations with Switzerland under the General Agreement, had also not yet completed their parliamentary procedures in regard to the Declaration. In these circumstances his delegation would suggest that the time-limit for signature and ratification of the Declaration be extended until 1 April 1960.

Mr. KAWASAKI (Japan) said that the extension of the time-limit until 1 April 1960 was acceptable to Japan.

Mr. PARBONI (Italy) said that Italy had signed the Declaration subject to ratification. The process of ratification was under way, but it was doubtful whether it would be completed by 1 April 1960. He would therefore suggest an extension of the time-limit beyond 1 April 1960.

The CHAIRMAN proposed that the CONTRACTING PARTIES should accept an extension of the time-limit until 1 April 1960 and that the decision should be formalized at a later meeting when the Intersessional Committee would be given authority to prolong the extension, if necessary.

This was agreed.

7. Cuban Notification under Article XVIII C (L/1031/Add.1)

The CHAIRMAN said that the Government of Cuba, pursuant to the provisions of paragraph 13 of Article XVIII, had notified the CONTRACTING PARTIES of its intention to continue to apply a measure designed to promote the establishment of an industry, on which the release granted by the CONTRACTING PARTIES under Article XVIII had recently expired (L/1031 and Add.1). He proposed that the matter be included on the agenda for this session and that it be referred to the Panel on Article XVIII, with the following additional terms of reference:

"to examine the notification submitted by Cuba under Section C of Article XVIII relating to the import of henequen and sisal and to report thereon to the CONTRACTING PARTIES".

This was agreed.

8. Facilities for Temporary Admission of Professional Equipment and Packing Materials (L/1068)

The CHAIRMAN referred to the communication which had been received from the Brussels Customs Co-operation Council (L/1068) relating to the temporary admission of packing materials, professional equipment and cinematographic and television equipment.

The DEPUTY EXECUTIVE SECRETARY recalled that, at the fourteenth session, the CONTRACTING PARTIES had envisaged setting up a small group of experts who would study, from a technical point of view, the draft convention on packing materials which would be forwarded by the Brussels Customs Co-operation Council. The draft convention had been received from the Brussels Co-operation Council and the CONTRACTING PARTIES might now wish to consider the setting up of the group of experts. The group should preferably meet early next year so as to enable it to report its findings before the next meeting of the Council's Permanent Technical Committee which was dealing with this matter. Since it would seem desirable and useful that the Council should have the group's report before the next session of the CONTRACTING PARTIES in May 1960, he would suggest that the group be authorized to transmit the report to the Council before its approval by the CONTRACTING PARTIES; this procedure would be analogous to the one adopted by the Council in transmitting to the CONTRACTING PARTIES the report of its Permanent Technical Committee. He suggested that the question of the temporary importation of professional equipment, cinema and television equipment, for which no draft convention had so far been submitted, should also be studied by the group of experts and that account should be taken of the particular interests of those contracting parties which were not members of the Customs Co-operation Council.

Mr. BEALE (United States) said that his Government was prepared to participate in the proposed meeting of the group of experts to study the draft convention on packing materials and to consider the question of the temporary duty-free importation of professional equipment and of cinema and television equipment. He asked that any draft convention relating to the International Chamber of Commerce recommendations which might ultimately result should be referred to individual contracting parties for study and preparation before being submitted to the CONTRACTING PARTIES.

The CHAIRMAN suggested that the group of experts be appointed by the Executive Secretary, in consultation with interested contracting parties, and that it should have the following terms of reference:

"to examine the draft convention on the temporary admission of packing materials and to consider the problems involved in the temporary importation of professional equipment and of cinema and television equipment and to make recommendations to the CONTRACTING PARTIES."

This was agreed.

9. Co-operation with the OEEC (L/1098)

The CHAIRMAN drew attention to document L/1098, in which the Executive Secretary had circulated the text of a communication addressed to him by the Secretary-General of the OEEC. With that document each delegation had received a copy of the Resolution of the OEEC Council, to which reference was made in the communication. Document L/1098 also contained a draft of the reply which the Executive Secretary proposed to send to the Secretary-General of the OEEC.

Mr. TREU (Austria) said that, while his delegation fully approved of the proposal for the establishment of contacts between the two secretariats, they considered it inappropriate, at this stage, to include in any reply from the Executive Secretary to the Secretary-General of the OEEC the last two paragraphs of document L/1098, the more so, for reasons of consistency, as Austria had reserved its position in regard to paragraphs 25, 26 and 27 of the Tenth Annual Report on the discriminatory application of import restrictions (L/1096). He therefore reserved the position of his delegation in regard to the last two paragraphs of the proposed reply from the Executive Secretary (L/1098). At present the approach should be limited to establishing contacts between the two secretariats.

Mr. BEALE (United States) said that his delegation had no specific comments to make on the draft. They had every confidence that the Executive Secretary and the Secretary-General of OEEC could create a working relationship which would be of benefit to the contracting parties.

Mr. KAWASAKI (Japan) said that, with the restoration of external convertibility by Western European countries, it was increasingly important that trade liberalization should not result in discrimination, which was contrary to the provisions of the General Agreement. Nevertheless, his delegation welcomed the decision of the OEEC to seek a close relationship with the GATT and he hoped that close co-operation would be established between the two organizations so that the principles of the General Agreement would be increasingly implemented within the OEEC.

Mr. JHA (India) said that the views of his delegation were similar to those expressed by the representative of Japan. India was seriously concerned about the discrimination existing in the OEEC in regard to the trade of other countries and about the tendency for the OEEC to be used as a shield against obligations under the General Agreement. His delegation hoped that, in establishing a closer relationship with the OEEC secretariat the Executive Secretary would direct his efforts towards seeking the elimination of discrimination as soon as possible.

Mr. PARBONI (Italy), speaking on behalf of the Member States of the EEC, said that the Community welcomed the proposed reply from the Executive Secretary. The establishment of closer relations could contribute to the realization of the common objectives of the two organizations.

Mr. ASIROGLU (Turkey) said that his delegation viewed favourably the proposal for closer contacts between the two secretariats.

Mr. SOLLI (Norway) said that his delegation was ready to approve the draft reply which they hoped would contribute to an expansion of trade liberalization and non-discrimination. He wished it to be recorded, however, that paragraph 2 of the draft reply should not be construed as implying that OEEC countries as a whole had not conformed with their obligations under the General Agreement. Norway considered that it had fulfilled these obligations.

Mr. WARREN (Canada) said that his delegation welcomed any action which was likely to contribute to the removal of quantitative restrictions and discrimination. His delegation therefore were prepared to support the proposed establishment of closer relationship between the secretariats of the two organizations.

The CONTRACTING PARTIES approved the proposed draft reply from the Executive Secretary to the Secretary-General of the OEEC.

The meeting adjourned at 3.35 p.m.